

their debt crises in time to avoid brutal austerity measures which have caused widespread civil disorder in those countries. The politicians in Greece and Portugal thought they could avoid making the tough decisions that were clearly laid out before them. They thought they could make it through just one more quarter or just past one more legislative session, or maybe they could just buy themselves enough time to let the next guys handle it. We cannot continue to operate under the same delusions.

The Cut, Cap, and Balance Act avoids a crippling default and sets us on a path to fiscal solvency by making real spending cuts now, placing statutory limits on spending, and sending a balanced budget amendment to the States, a measure that so many of us have so consistently supported. These decisions, Mr. Speaker, will not be easy. No change ever is. As these debates have gone on for the past several months, I have been reminded of Thomas Paine when he wrote: "If there must be trouble, let it be in my day, that my children may have peace." We need to decide what our legacy to our children and their children will be—a mountain of debt or a sound government that lives within its means.

GETTING A HANDLE ON DEBT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas (Mr. CARTER) for 5 minutes.

Mr. CARTER. Six months ago, a small businessman was called into a financial lending institution and asked to come in and talk to the officer in charge. He went into that office and the officer in charge told him, You have been a customer of this organization for quite a few years and we have constantly been giving you a line of credit every summer to continue your operation for the next year.

This year our examiners have noted for us and also through our board of directors we've examined your operation and your borrowing patterns. Here's what we've discovered: We've discovered that where you had a going facility and you were doing well and you were employing people and things were going well, we've started to see a trend in your business to where you are increasing your debt more and more and more. Not only were you spending our line of credit that this bank lent to you to continue your operations throughout the year, but outside of that line of credit, you were accumulating many, many, many credit cards. And now at this point in time, it is our understanding and the way we look at it is not only are you using our line of credit that we gave you but you also have maxed out every credit card you have got, and, quite honestly, we are amazed at the number of credit cards you actually have. We didn't really know anybody could have that many credit cards.

So we're just going to warn you, if you don't change the direction of the

way you're operating your business, we very clearly believe that your business is going to go bankrupt. But even more importantly to this institution, this lending institution, we're concerned about the fact that our institution is going to be placed in a very tenuous position on any loans that we make to you; therefore, our position right now is that when you come to us next August, we're not going to lend you the money for your line of credit.

Yesterday, this same businessman walked into that same lending institution and said, My accountant and I have done the same analysis that you've done on the situation of our operation. We've looked at it, and we actually agree that we have gone in the wrong direction now for many, many years and we have spent more than we've made for many, many years. And we, quite frankly, got away from doing the needs of our company to doing the wants of our company.

Therefore, we are seriously in debt. I want to start off by saying I recognize that. And when you gave us our wake-up call, we sat down and analyzed what we could do to show you that we are changing the direction of our business. And here's what we propose to you:

□ 1130

First, we propose to you that, this year, here are the reductions we're going to make on our credit cards, and here are the places where we're going to cut back on the way we spend. That's for this year.

Now, we've also analyzed every section in the departments of our business, and we have determined that we're way over what we really need to function as a prosperous business, so we're going to offer to you that our business plan over the next 10 years is to put a ceiling on every department and every part of our business operation so that we will never rise above that ceiling; therefore, we will be continually reducing the level of our spending over the next 10 years.

Then, finally, we are making a pledge to you of everything not encumbered in our business that we will balance our budget, that we will prepare a budget and balance that budget every year and that, if at any time it doesn't, then immediately you will call every note we have.

This is a parable, but it's also the reality in the United States of America today for everybody but the Federal Government. That's why, today, the Republicans will offer that same plan of Cut, Cap, and Balance.

CUT SPENDING, CAP SPENDING, AND BALANCE THE BUDGET

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois (Mr. SCHILLING) for 5 minutes.

Mr. SCHILLING. Mr. Speaker, today we have an opportunity to take action and promote certainty in both our economy and the markets by passing

H.R. 2560, the Cut, Cap, and Balance Act of 2012.

Moody's and Standard & Poor's have warned the United States that our AAA credit rating is at risk if President Obama does not raise the debt ceiling by August 2. By passing Cut, Cap, and Balance, we can respond with confidence, create economic certainty, get our spending under control, and put America back to work.

Mr. Speaker, 6½ months ago, I left life as a small business man, and have had the honor of representing the constituents of the 17th Congressional District of Illinois. I come to the floor this morning with some observations about where we've made progress and where we've met frustration. During this time, we have seen tangible results.

This Congress repealed the onerous 1099 tax provision, which prevents our job creators from being bogged down in a nightmare of paperwork. This Congress cleaned up the mess left by last year's Congress by cutting billions in spending. This House has cut its own office budgets by 5 percent, saving taxpayers \$35 million, and later this week, we'll cut our office budgets by another 6.4 percent. Most importantly, this House of Representatives fulfilled its responsibility by passing a budget. This budget cuts trillions of dollars in spending, but more importantly, it puts forth a plan to save Medicare instead of letting it go insolvent.

As a new Member of this House, there has also been frustration with the process. Our national debt is \$14.3 trillion. Each child born today, including my new granddaughter, Reagan, already owes \$46,000 as their share of the national debt. Yet there are some Members of this body—97 to be exact—who wanted to give President Obama the authority to raise the debt limit by \$2.4 trillion with no questions asked.

Congress has raised the debt ceiling 51 times since 1978, and look where we are today. How can we see these next 2 weeks as anything but an opportunity to put our great country on a better fiscal path?

I did not come here to get my name on a wall plaque. I came here so that when my newly born granddaughter, Reagan, asks me, "Grandpa, what did you do to help fix this country?" I'll be able to tell her that I was part of a class that changed the focus of this town from bloated spending to spending cuts. I'll be able to tell her that, today, we took a vote on legislation that does three very important things:

It cuts spending. It promotes spending caps to 19.9 percent of GDP by 2021. It makes the raising of the debt ceiling contingent upon a balanced budget amendment.

We are only 2 weeks away from the deadline set by Mr. Geithner, but we've seen no plan from this administration or the Democrats in the House. Let me repeat that we have seen no plan from the administration or the Democrats in this House. We all know it's easier to criticize than to offer a plan of your

own. Now, before this plan to cut our spending and balance our budget is demagogued, let me tell you exactly how this thing works:

This plan makes no changes to Social Security and Medicare. This plan makes no changes to the veterans' spending. This plan will cut spending by \$111 billion in fiscal year 2012.

We must use this debate as an opportunity to bring real change to Washington and to start paying down our debt. If you believe that cutting spending and providing a way forward for a balanced budget are commonsense ideas, vote for this legislation.

CUT, CAP, AND BALANCE WASHINGTON'S CHECKBOOK

The SPEAKER pro tempore. The Chair recognizes the gentleman from Nevada (Mr. HECK) for 5 minutes.

Mr. HECK. Mr. Speaker, I am here to share a short letter I received from one of my constituents who used to own a small business. His name is Steve, and his letter eloquently addresses the issue we are discussing today.

Steve wrote: "I know it is a very contentious time in Washington. The 2008 election led me to sell my business because I saw an assault on the small business owner. My peers continue to ask me how I anticipated our current situation.

"First, it was the mandated health insurance, then more government regulation and regulators, and now it is the assault on my earnings that I worked hard for over the last 40 years.

"The President and his Progressive friends will not be satisfied until they kill what reward for risk incentive is left.

"Equal wealth for everyone is not guaranteed in our Constitution.

"The reward for risk is what made this country what it is today.

"I ask that you hold the line even if it means losing the next election."

I came to Congress to get Nevada's economy back on track, and the only way to do that is by listening to our job creators—by listening to their concerns and then addressing those very concerns. When I talk with Nevada's small business owners, they feel the same way Steve does. They say the reason they're not creating jobs is due to too many harmful regulations, too many taxes and too much government spending.

We are in a fiscal crisis, and it is killing our job creators' very ability to create jobs. In all of my conversations with Nevada business owners, the one thing—the one thing—I've never heard them say is, "Do you know what would help me create more jobs? A tax increase."

I urge Nevadans and my colleagues not to listen to the President's false choice—the idea that we can fix government's fiscal problems by merely closing loopholes and reining in subsidies. Now, let me be clear. I support closing loopholes and subsidies because

we need to level the playing field, but that won't by itself solve the problem, because even if we close the loopholes and rein in the subsidies, the government will still have a spending problem, and it will only be a matter of time before another tax increase is proposed.

Past all of the talking points and hyperbole, the President's real choice is about the tax burden families and businesses face in Nevada and across the country. Will that burden be lower or higher? I am fighting to make sure it's lower. Our job creators, like Steve, realize this. Why doesn't Congress? Forty-nine of 50 States balance their budgets. Why doesn't Congress? Nevada families live within their means. Why doesn't Congress?

Just because there are checks in the checkbook doesn't mean there is money in the checking account. The Cut, Cap, and Balance proposal is a thoughtful solution to solving the government's spending problem that protects the promise of Social Security and Medicare for seniors and veterans' benefits to our brave men and women who have fought to protect our freedoms. It will cut \$5.8 trillion over the next decade and give our job creators confidence that we are serious about getting this economy back on track.

I urge my colleagues to support the Cut, Cap, and Balance bill and show that we are serious about balancing Washington's checkbook.

□ 1140

THE DEBT CEILING

The SPEAKER pro tempore. The Chair recognizes the gentleman from Colorado (Mr. TIPTON) for 5 minutes.

Mr. TIPTON. Mr. Speaker, as Americans, we face a challenge. The question yet to be answered is: Will we rise to be able to meet that challenge?

We can often hear in the debate on this floor something that happens at every Super Bowl at half time. It's called "kick, pass, and punt." We can kick each other around, we can pass on this problem in addressing it today, and we can punt to the next generation. But I think far more is expected of us.

The people who elected us, the people who sent us to this office, are seeking solutions and leadership to be able to deal with the true challenges that we all face at home.

Last night around dinner tables across our country, moms and dads were going over the family budget looking at how much it cost to fill up that gas tank, how they're going to meet that family budget to be able to put food on the table, to be able to keep a roof over their heads. They're spending within their means.

Forty-nine of our 50 States have one form or another of a balanced budget requirement meaning that, as States, they have to be able to live within their means. Surprisingly, only here in

Washington, D.C., in our Nation's capital, do we think there is this inexhaustible resource called the American taxpayers' hip pocket to be able to draw from so that government can grow. The constant argument, my friends, is government needs it more than the people at home. I don't think so. Come and walk my district. Look in the eyes of the people right now that are struggling to be able to keep that roof over the top of their heads.

We have that economic challenge. We face a debt in this country of \$14.4 trillion. Now, I don't know about you. I'm a small businessman. It's hard really to get your arms around just what is a million dollars, let alone a trillion dollars.

Well, if you're a basketball fan, you may have paid a little attention to this last season. LeBron James, arguably one of the best basketball players in the entire country, being paid \$40 million a year to be able to play basketball, well, if he wants to earn just \$1 trillion, we have to wish him very good health. He'll have to play basketball for 25,000 years to earn just \$1 trillion.

We've stacked up over \$14.4 trillion. The President has asked for a blank check to increase the debt of this country an additional 2 trillion-plus dollars.

Is the time now for fiscal responsibility in Washington? It is. We have to rise to be able to meet that challenge. Cut, cap, and balance, is that unreasonable? We can demonize it. We can say that Washington is above the rules of every American and the rules they have to be able to live with, or we can look to the people who we sent to Washington to stand up for us to live under the same constraints that we do in our individual lives.

If we've spent more than we've taken in, we have to be able to find ways to be able to cut back. We then also have to have that alternative to be able to restrain that spending and then to be able to balance the budget.

Unfortunately, yesterday the President said that it was going to be dead on arrival. I hope that our American citizenry will rise to this challenge. I have great hope that this Chamber will pass Cut, Cap, and Balance. But we need to let the Senate of the United States and the President of the United States know that we're going to be holding them accountable. Our future truly depends on it.

This is our time. This is our challenge. This is truly our opportunity. Let's put aside what is often referred to as just politics as usual. This is not a Democratic issue. This is not a Republican issue. This is an American issue.

I hope that our Members will join with me in seeking real solutions to real problems to deal with it so that the American people can look to a brighter future.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair